



Acquiring Federal Property For Public Uses

community development

homeless assistance

negotiated sale

public benefit conveyance

GSA works to benefit communities by partnering with Federal agencies to move unneeded Federal property to productive local use.





The General Services Administration, working with its partner Federal agencies, makes government real estate available to communities for many public purposes. These former Federal properties can contribute to a community's vitality by providing benefits such as expanded employment opportunities, housing for the homeless, establishment of educational centers, and parks and open space.

The General Services Administration (GSA) is a Federal Government agency that was established to provide other Federal agencies with the workspace, products, services, technology, and policies they need to accomplish their missions.

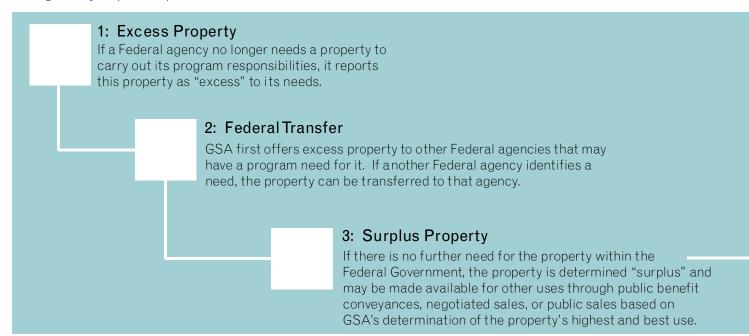
Within GSA, the Office of Property Disposal is responsible for promoting effective utilization of Federal real property assets, as well as the disposal of real property that is no longer mission-critical to Federal agencies.

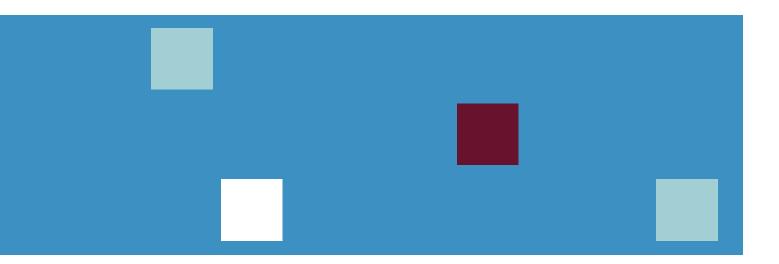
With thousands of properties in the Federal portfolio, disposing of underutilized Federal property is a considerable task. Working together with partner Federal agencies, state and local governments, non-profit organizations, business groups, and citizens, the Office of Property Disposal has a lasting positive impact on communities by making valuable government real estate available for numerous public purposes.

Underutilized Federal property can vary widely in type and value, and may include undeveloped land, office buildings, warehouses, commercial and industrial facilities, military holdings, and single- and multifamily residences. Property may be located in any of the 50 States, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, and the U.S. Pacific Territories.



When disposing of Federal real estate, the Office of Property Disposal follows a process mandated by Federal law. The major steps in this process are illustrated below. It should be noted, however, that not every property goes through every step of the process.





4: Public Uses

After determining if the property is suitable to help the homeless, GSA can make surplus Federal property available to public bodies (such as state and local governments or certain qualified tax exempt 501(c)(3) nonprofit institutions) through public benefit conveyances (PBC) or negotiated sales based on the property's highest and best use.

Homeless Screening

If a property is suitable for homeless use (according to HUD), GSA must first consider transferring the property as a homeless conveyance before any other public benefit conveyance can be considered.

Public Benefit Conveyance

As a PBC, the property can be substantially discounted in price (up to 100% reduction in fair market value) if it is used for a specific public use that qualifies for a PBC through a partner Federal agency.

Negotiated Sale

GSA can negotiate a sale at appraised fair market value with a state or local government if the property will be used for another public purpose.

5: Public Sale

If state and local governments or other eligible non-profits do not wish to acquire the property, GSA disposes of surplus property via a competitive sale to the public, generally through a sealed bid or auction. (See our public sale brochure for details.)

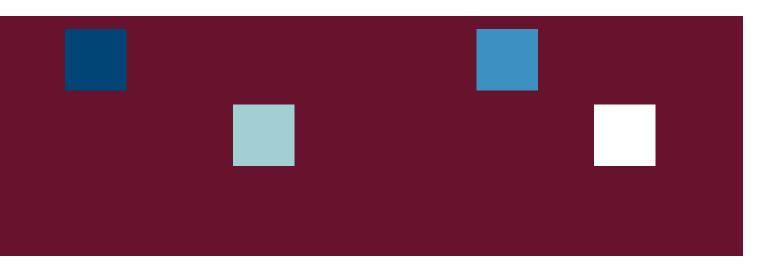


Federal properties that are no longer needed by the Federal Government may be made available for public uses to state and local governments, regional agencies, or non-profit organizations. Public uses for properties are those that are accessible to and can be shared by all members of a community, and include community centers, schools and colleges, parks, municipal buildings, and many others.

Within this step of the Federal property disposal process, there are three important components: homeless assistance consideration, public benefit conveyances and negotiated sales.

Since 1987, GSA has conveyed over \$3 billion worth of property across the United States. Of this, about one third has been conveyed to state or local governments and non-profit organizations at a substantial discount in price.





Homeless Assistance

According to the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11411), GSA is required to coordinate with the U.S. Department of Housing and Urban Development (HUD) to determine if surplus Federal property is suitable for use to assist the homeless as soon as a property is determined to be surplus to the Federal Government. If the property is suitable for homeless use, GSA must first consider transferring the property as a homeless conveyance before any other public benefit conveyances can be considered. If it is not suitable, or if there is no interest in a homeless conveyance, GSA proceeds with the public benefit conveyance process working closely with its partner Federal agencies.





The Public Benefit Conveyance

A public benefit conveyance (PBC) allows the Federal government to transfer title of surplus property to qualified entities for public uses. Properties that qualify for a PBC can be used to provide educational and health care facilities, improve transportation, and beautify communities through park and recreational improvements. The intent of a PBC is to support property uses that benefit the community as a whole. A PBC can provide access to property for public and non-profit entities that may not otherwise have been able to acquire it for community uses.

Moreover, public reuse of existing Federal facilities reduces the demand for undeveloped green space and reduces the burden on local governments to expand their supporting infrastructure.

All public benefit conveyances are sponsored by a designated Federal agency. These sponsoring agencies are

responsible for reviewing the application for the PBC, educating the grantee of the conditions of the conveyance and, in some cases, deeding the property to the new owner. A sponsoring agency would also periodically ensure that the property continues to be used for the purpose for which it was conveyed.

A public benefit conveyance can enhance the social and economic conditions of a community.

Qualified Entities

Only certain entities are eligible to receive a public benefit conveyance. GSA and its partner Federal agencies can convey surplus Federal property through a PBC to state and local governments or to qualified nonprofit organizations. While qualification determinations



must be made in conjunction with GSA's partner Federal agencies, the general definition of a qualified non-profit organization is any institution, organization, or association that meets two main criteria:

- The net earnings of the organization must not benefit any private shareholder or individual.
- The organization must be determined by the Internal Revenue Service to be tax exempt under section 501(c)(3) of the IRS Code.

Surplus Federal property is made available for certain PBC uses depending on the type of property that is available.

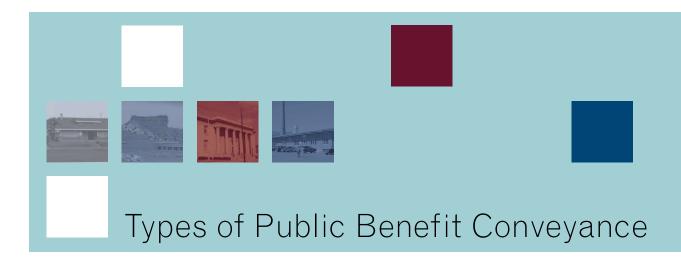
Timeframe for PBCs

Depending on the type of PBC, the use of the property that is conveyed can be restricted for either up to 30 years or in perpetuity. If at any time the property is not used for its intended purposes, it may be returned to

the Federal government. If the grantee has complied with a conveyance that has a 30-year restriction period, the use restriction will be lifted from the deed at the end of the 30 years and the grantee may use or sell the property for any purpose consistent with local land use regulations.

No Interest in Property for a Public Benefit Conveyance

If there is no interest by a qualified entity to obtain the property as a PBC, GSA considers selling the property via negotiated sale. In this instance, the state or local government notifies GSA of its interest in the property and GSA begins negotiations for the sale of the property.



To qualify for a PBC, the public entity or non-profit organization must apply to the sponsoring Federal agency to acquire the surplus property for a particular public use. Below are the descriptions of each qualifying PBC use, the required years of use, and the sponsoring Federal agency.

Homeless Use

Agency: Department of Health & Human Services

Duration: 30 years

For: Use as facilities to assist the homeless. This also includes facilities used to assist the homeless as a permissible use in the protection of public health.

Disposal for homeless assistance has a priority of consideration over all other public benefit uses.

Educational Use

Agency: Department of Education

Duration: 30 years

For: School, classroom, or other educational uses.

Public Health

Agency: Department of Health & Human Services

Duration: 30 years

For: Use in the protection of public health, including

research and hospitals.

Correctional Facility Use

Agency: Department of Justice

Duration: In perpetuity

For: Correctional facility use for the care or rehabilita-

tion of criminal offenders.

Public Parks and Public Recreation Areas

Agency: Department of Interior, National Park Service

Duration: In perpetuity

For: Use as a public park or recreation area.

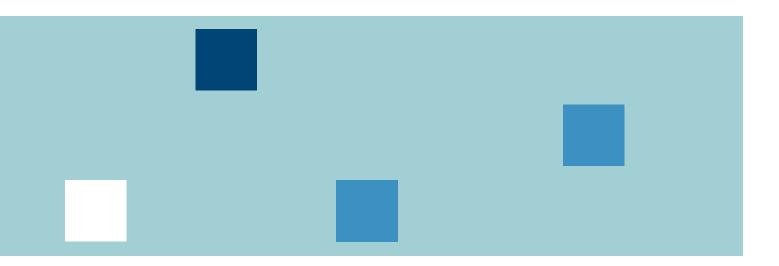
Historic Monuments

Agency: Department of Interior

Duration: In perpetuity

For: Use as an historic monument for the benefit of the public. Property conveyed for historic monument purposes may under certain circumstances be used for revenue producing activities to support the historic

monument.



Port Facilities

Agency: Department of Transportation

Duration: In perpetuity

For: Development or operation of a port facility.

Highways

Agency: Department of Transportation

Duration: No restriction

For: Federal or other highway or as a source of material for construction or maintenance of any highway adja-

cent to Federal real property.

Wildlife Conservation

Agency: Department of Interior

Duration: In perpetuity

For: Wildlife conservation purposes or in support of the conservation of wildlife or the national migratory bird

management program.

Law Enforcement

Agency: Department of Justice

Duration: In perpetuity

For: Law enforcement purposes.

Public Airports

Agency: Federal Aviation Administration

Duration: In perpetuity

For: Development, improvement, operation, or maintenance of a public airport. This can include property needed to develop sources of revenue from non-avia-

tion businesses at a public airport.

Self-Help Housing

Agency: Department of Housing & Urban Development

Duration: 30 years

For: Housing and/or housing assistance to low income individuals and families. Individuals and families receiving property under this authority are required to contribute a "significant" amount of labor toward the construction, rehabilitation, or refurbishment of the

property.

Emergency Management

Agency: Federal Emergency Management Agency

Duration: In perpetuity

For: Emergency management response purposes,

including fire and rescue services.



A negotiated sale is a transaction in which the Federal Government offers state and local governments the right to purchase property at appraised fair market value before it is offered to the general public.

Negotiated sales must be for a public purpose, although they are not restricted to a particular use.

The law requires that the Federal Government receive at least fair market value for its properties.

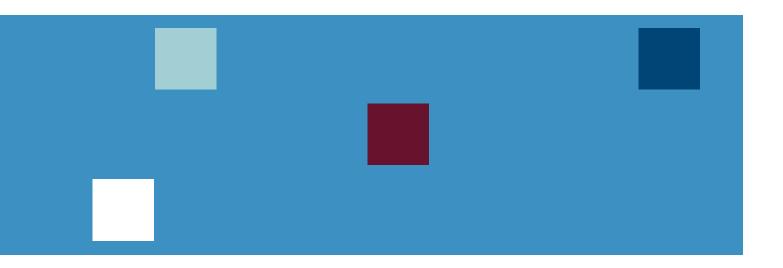
Much like a public benefit conveyance, a negotiated sale can bring about substantial benefits for the local community and municipality. State or local governments can purchase a property before it is listed on the open market. Competition may arise, however, when two or more municipalities are interested in a negotiated purchase of the same property. In this case, competitive negotiations are then undertaken.

In most instances, localities save money by reusing Federal facilities, avoiding unnecessary expenses asso-

ciated with building new structures, and removing taxable property from the tax rolls. Federal facilities can often be adapted to another public use without substantial rehabilitation costs. Moreover, municipalities can utilize existing public properties that have already been exempt from local real estate taxes. For example, a Federal courthouse may be easily retrofitted as a local courthouse facility.

Qualifying for a Negotiated Sale

Although the property does not need to be used for a specified purpose, negotiated sales must be conveyed with a public use in mind. Two general types of uses that typically qualify for a negotiated sale are direct public uses and economic development uses.



Uses Qualifying for Negotiated Sale Property

Direct Public Uses Examples

- Use of a Federal office building as a city municipal or administrative building.
- Development of a community center or public works depot.

Economic Development Examples

- Redevelopment of the parcel of land as an industrial park.
- Subdivide the property, build streets and other infrastructure, and market the property at a later date.

In addition to the public use requirement, negotiated sales carry restrictions on when purchasers can re-sell the property. If within a specified period of time following the negotiated sale the purchaser sells the property, all proceeds in excess of the original negotiated price will be returned to the Federal Government. This provision, known as an "excess profits clause," was established to prevent localities from "land banking" property and then selling it for a higher price to a third party. After the designated period, the public entity is entitled to do as they wish with the property.

For any negotiated sale of property having an appraised fair market value of \$100,000 or more, an explanatory statement will be prepared and submitted to the appropriate Committees of the Senate and House of Representatives.



How to Find Available Federal Property

When surplus property becomes available as a possible PBC/Negotiated Sale, GSA prepares a surplus screening notice for the property. The notice contains a brief description of the property, lists the PBC uses and statutes under which the property can be conveyed, and contact information for the Regional GSA office and appropriate sponsoring agencies.

GSA sends this notice to the governor of the state where the property is located, to the state clearing-house contact, to the county clerk, and to the mayor or other appropriate official of the city or town where the property is located. As appropriate, the notice is then given to any regional and metropolitan comprehensive planning agencies. In addition, a notice is placed in the post office that serves the area where the property is located. Finally, copies of the notice are sent to Regional offices of Federal agencies that would be potential sponsors for the property.

In addition, surplus screening notices are available on the GSA Office of Property Disposal Resource Center at http://rc.gsa.gov. Public entities are encouraged to visit this website for valuable information regarding Federal properties and GSA regulations.





Responding To a Notice

Eligible public entities interested in acquiring the surplus property must inform the appropriate GSA Regional office and Federal sponsoring agency in writing within 20 days of the date on the notice. Interested parties should indicate:

- 1. The intended use of the property,
- 2. A reference to the applicable Federal statute or statutes that allow for the intended use of the property (included in later pages),
- 3. How much of the property is needed if the entire parcel is not needed,
- 4. The length of time that is required to develop and submit a formal application for the property, and
- 5. The reason for the time required developing and submitting a formal application.

Sponsoring agencies are responsible for reviewing all notices of interest from eligible parties. Based upon the facts and circumstances involved, including the

potential suitability of the property for the use proposed, the sponsoring agency will determine what constitutes a reasonable period of time to allow the public agency to develop and submit a formal application for the property. The sponsoring agency coordinates with GSA and the applicant throughout the process. Final PBC application review and determinations are performed by the sponsoring agency. The applicant is notified of the decision and provided with further instructions for proceeding with the acquisition of the property.

If no interest from public entities is received within the specified time period, GSA concludes that no public agency wishes to acquire the property and proceeds with plans to dispose of the surplus property by public sale. For more information on acquiring Federal property by public sale, please see our brochure on purchasing Federal real estate or visit our website at www.propertydisposal.gsa.gov.





Central Office

Office of Property Disposal U.S. General Services Administration 1800 F Streets, NW, Room 4244 Washington, DC 20405 202-501-0084



New England Region

U.S. General Services Administration 10 Causeway Street Boston, MA 02222 617-565-5700 or 800-755-1946



Great Lakes Region

U.S. General Services Administration 230 South Dearborn Street Chicago, IL 60604 312-353-6045 or 800-755-1946



Southeast Sunbelt Region

U.S. General Services Administration 401 West Peachtree Street Atlanta, GA 30365-2550 404-331-5133 or 800-473-7836 Fax-on-Demand 415-436-7402



Greater Southwest Region

U.S. General Services Administration 819 Taylor Street Ft. Worth, TX 76102 817-978-2331 or 800-833-4317 Fax-on-Demand 817-978-2063



Pacific Rim Region

U.S. General Services Administration 450 Golden Gate Avenue San Francisco, CA 94102 888-472-5263 Fax-on-Demand 415-436-7402



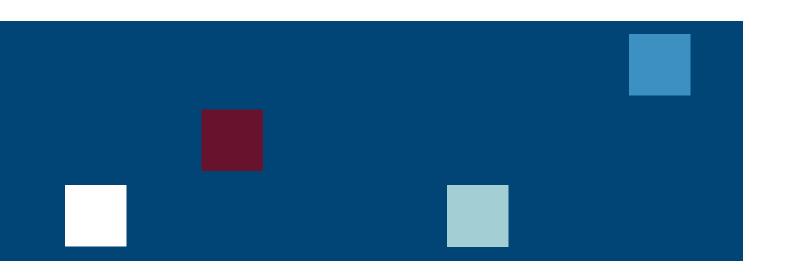
Northwest Arctic Region

U.S. General Services Administration 400 15th Street, SW Auburn, WA 98001 253-931-7547 or 800-814-6205 Fax-on-Demand 253-931-7554



National Capital Region

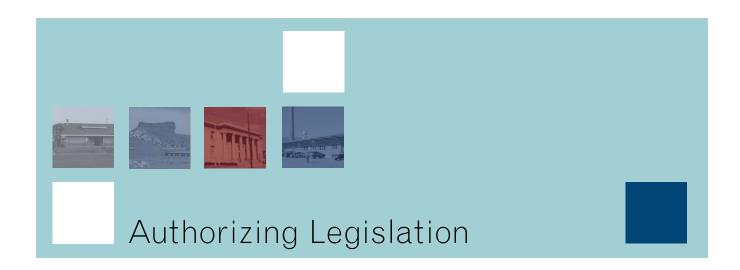
U.S. General Services Administration 301 7th Street, SW Washington, DC 20407 202-205-2127





Through the disposal and reuse of Federal property, GSA's Office of Property Disposal along with its partner Federal agencies is making a significant impact in cities and towns across the country. Disposing of underutilized property for public purposes preserves open space and takes advantage of existing infrastructure. Working in conjunction with all stakeholders, GSA and its partner agencies will continue to strive to make local communities a better place to live and work through successful redeployment of unneeded Federally-owned assets.





The following Federal statutory language is provided for assistance in confirming an appropriate intended property use and in preparing a response to a surplus screening notice.

Health or Educational Use

Section 203 (k)(1) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 484 (k)(1)), authorizes the Administrator of General Services, in his discretion, to assign to the Secretaries of Education and Health and Human Services, as appropriate, for disposal of such surplus real property, including buildings, fixtures, and equipment situated thereon, as is recommended by the appropriate Secretary as being needed for school, classroom, or other educational uses, or for use in the protection of public health, including research and homeless assistance purposes. The Act authorizes the appropriate Secretary to sell or lease such properties to States or their political subdivisions and instrumentalities, and tax-supported medical and educational institutions, nonprofit educational institutions, hospitals, or other similar institutions not operated for profit which have been held exempt from taxation under section 501(c)(3) of the Internal

Revenue Code of 1954, and to fix the sale or lease value of the property to be disposed of taking into consideration any benefit which has accrued or may accrue to the United States from the use of the property by any such State, political subdivision, instrumentality, or institution. The principal restrictive provision in the instrument of conveyance requires the property to be used continuously for a specified period for the specific purpose stated in the application for the property made to the Departments of Education or Health and Human Services.

Public Parks and Public Recreational Areas

Section 203 (k)(2) of the Federal Property and Administrative Services Act of 1949, as a mended (40 U.S.C. 484 (k)(2)), authorizes the Administrator of General Services, in his discretion, to assign to the Secretary of the Interior for disposal, such surplus property, including buildings, fixtures, and equipment situated thereon, as is recommended by the

Secretary of the Interior as being needed for use as a public park or recreation area. The Act authorizes the Secretary to sell or lease such properties to any State, political subdivision, instrumentalities thereof, or municipality, and to fix the sale or lease value of the property to be disposed of, taking into consideration any benefit which has accrued or may accrue to the United States from the use of such property by any such State, political subdivision, instrumentality, or municipality.

Deeds conveying any surplus real property disposed of under this authority shall provide that the property shall be used and maintained for the purpose for which it was conveyed in perpetuity and may contain such additional terms, reservations, restrictions, and conditions as may be determined by the Secretary of the Interior to be necessary to safeguard the interest of the United States.

Historic Monuments

Section 203 (k)(3) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 484 (k)(3)), authorizes conveyance to any State, political subdivision, instrumentalities thereof, or municipality, of all the right, title, and interest of the United States in and to any surplus real and related personal property which in the determination of the Secretary of the Interior is suitable and desirable for use as a historic monument for the benefit of the public. Conveyances of property for historic monument purposes under this authority shall be made without monetary consideration to the United States: Provided, that no property shall be determined under this authority to be suitable or desirable for use as an historic monument except in conformity with the recommendation of the Advisory Board on National Parks, Historic Sites, Buildings and Monuments established by section 3 of the Act of Congress approved August 21, 1935 (49 Stat. 666) and only so much of any such property shall be so determined to be suitable or desirable for such use as is necessary for the preservation and proper observation of its historic features. Property conveyed for historic monument purposes may under certain circumstances be used for revenue producing activities to support the historic monument. Deeds conveying any surplus real property under this authority shall be used and maintained for the purposes for which it was conveyed in perpetuity and may contain such additional terms, reservations, restrictions, and conditions as may be determined by the Administrator to be necessary to safeguard the interest of the United States.

Correctional Facility/Emergency Management Response Use

Section 203 (p)(1) of the Federal Property and Administrative Services Act of 1949, as a mended (40 U.S.C. 484 (p)(1)), authorizes the Administrator of General Services, in his discretion, to transfer or convey to States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, the Commonwealth of the Northern Mariana Islands, or any political subdivision or instrumentality thereof, surplus real and related personal property, without monetary consideration for:

- 1. Correctional facility purposes. The Attorney General must determine the surplus real and related personal property to be required for such purposes by an authorized transferee or grantee under an appropriate program or project for the care and/or rehabilitation of criminal offenders as approved by the Attorney General.
- 2. Law enforcement purposes. The Attorney General must determine the surplus real and related personal property to be required for any activity involving the control or reduction of crime and juvenile delinquency, or enforcement of the criminal law, including investigative activities, such as laboratory functions, as well as training.
- 3. Emergency management response purposes. The

Directory of the Federal Emergency Management Agency must determine the surplus real and related personal property to be required for emergency management response purpose, including fire and rescue services.

The deed or other instrument of conveyance for property transferred under section 203(p)(1) will require that all property be used and maintained for correctional facility, law enforcement, or emergency management response (including fire and rescue services) purposes in perpetuity, or at the option of the United States, the property will revert to the United States.

Port Facilities

Section 203 (g) of the Federal Property and Administrative Services Act of 1949, as amended (40) U.S.C. 484 (a)), authorizes the Administrator of General Services, in his discretion, to assign to the Secretary of Transportation for disposal, such surplus property, including buildings, fixtures, and equipment situated thereon, as is recommended by the Secretary of Transportation as being needed for the development or operation of a port facility. The Act authorizes the Secretary to convey properties at no cost to the States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, the Commonwealth of the Northern Mariana Islands, or any political subdivision, municipality, or instrumentality thereof. Deeds conveying any surplus real property disposed of under this authority shall provide that the property shall be used and maintained for the purpose for which it was conveyed in perpetuity and may contain such additional terms, reservations, restrictions. and conditions as may be determined by the Secretary of Transportation to be necessary to safeguard the interest of the United States.

Public Airports

Section 13 (g) of the Surplus Property Act of 1944 (49 U.S.C. 47151), which is continued in effect by section

602(a) of the Federal Property and Administrative Services Act of 1949 and amended by Public Law 311, 81st Congress (50 U.S.C. App. 1622(a)-(c)), authorizes the conveyance or disposal of all right, title, and interest of the United States in and to any surplus real property or personal property (exclusive of property the highest and best use of which is determined by the Administrator to be industrial) to any State, political subdivision, municipality or tax-supported institution without monetary consideration to the United States. Such property must be determined by the Secretary of Transportation to be suitable, essential, or desirable for development, improvement, operation, or maintenance of a public airport as defined in the Federal Airport Act, as amended (49 U.S.C. 1101) or reasonably necessary to fulfill the immediate and foreseeable future requirements of the grantee for development, improvement. operation, or maintenance of a public airport, including property needed to develop sources of revenue from non-aviation businesses at a public airport. This section provides specific terms, conditions, reservations. and restrictions upon which such conveyances or disposals may be made.

Wildlife Conservation

16 U.S.C. 667b-d provides that, upon request, real property which is under the jurisdiction or control of a Federal agency and no longer required by such agency: (1) can be utilized for wildlife conservation purposes by the agency of the State exercising administration of the wildlife resources of the State wherein the real property lies or by the Secretary of the Interior; and (2) is valuable for use for any such purpose, and which, in the determination of the Administrator of General Services. is available for such use may, not withstanding any other provisions of the law, be transferred without reimbursement or transfer of funds (with or without improvements as determined by said Administrator) by the Federal agency having jurisdiction or control of the property to (a) such State agency if the management thereof for the conservation of wildlife relates to other than migratory birds, or (b) to the Secretary of the

Interior if the real property has particular value in carrying out the national migratory bird management program. Any such transfer to other than the United States shall be subject to the reservation by the United States of all oil, gas, and mineral rights and to the condition that the property shall continue to be used for wildlife conservation or other of the above-stated purposes or in the event it is no longer used for such purposes or in the event it is needed for national defense purposes title thereto shall revert to the United States.

Homeless Assistance

Title V of the Stewart B. McKinney Homeless Assistance Act, as amended (42 U.S.C. 11411), authorizes the identification and use of underutilized and unutilized property for use as facilities to assist the homeless and expands the meaning of section 203 (k)(1) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 484(k)) to include facilities to assist the homeless as a permissible use in the protection of public health. The Secretary of Housing and Urban Development collects data on Federal properties and identifies those suitable to assist the homeless. The General Services Administration and the Department of Health and Human Services make suitable surplus properties available to private nonprofit organizations, units of local government, and States for use as facilities to assist the homeless. These properties are leased. deeded, or made available on an interim basis at no cost to approved homeless assistance providers. Federal land-holding agencies may lease/permit suitable underutilized property to approved homeless assistance applicants.

Self-help Housing

Section 203(k)(6)(C) of the Federal Property and Administrative Services Act of 1949, as amended, authorizes the Administrator of General Services to assign to the Secretary of Housing and Urban Development (Secretary) surplus real property,

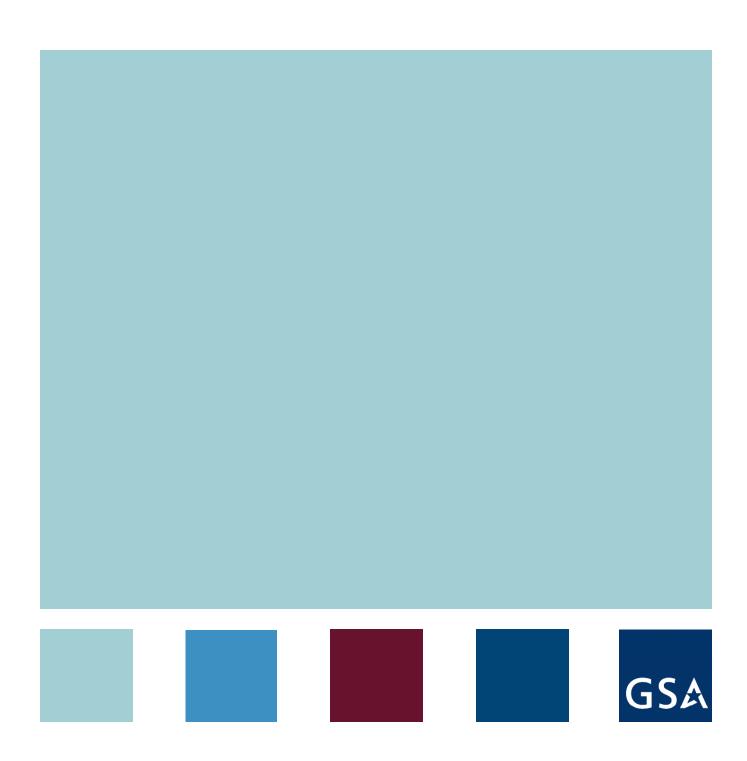
including buildings, fixtures, and equipment situated thereon, as is recommended by the Secretary as being needed for providing housing or housing assistance for low income individuals or families.

The Secretary is authorized to sell or lease surplus real property for housing or housing assistance to any State, political subdivision, or instrumentality of a State, or any nonprofit organization existing for the primary purpose of providing housing or housing assistance for low-income individuals or families.

This amendment contains a "sweat equity" provision which requires that any individual or family receiving housing or housing assistance constructed, rehabilitated, or refurbished through the use of the property must contribute a significant amount of labor toward the construction, rehabilitation, or refurbishment.

Highways

Title 23 sections 107 and 317 of the United States Code authorize the conveyance of lands, or interests in lands, owned by the United States, to any State for the purpose of interstate construction, reconstruction, improvement, maintenance, right of way or materials source. Property being conveyed for these uses must be requested by the Secretary of Transportation and must be authorized by the Secretary of the Department supervising the administration of such lands or the interests in such lands. The conveyance of such property shall be made to the state transportation department or such political subdivision thereof as its laws may provide, in the form of purchase, donation, condemnation or other form so long as it complies with the laws of the United States. Title 40 section 345(c) provides for the conveyance of lands or interest in such lands, with or without consideration, to such state or political subdivision for the purposes of highway, street or alley widenina.





GSA Office of Property Disposal www.propertydisposal.gsa.gov

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